

February 21, 2013

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(312) 745-5620

**Re: NeoFace® Reveal Proposal**

Dear Director Perfetti:

NEC Corporation of America is pleased to submit this NeoFace® Reveal proposal to the Chicago Police Department (CPD).

NEC NeoFace offers CPD many benefits including:

- Superior NEC Customer Service—Single Point of Contact for AFIS and Facial Recognition
- Facial Forensic Image Processing & Matching
- Powerful Image Enhancement Tools
- The Most Accurate Face Recognition Solution in the Market, Independently Evaluated by NIST
- Innovative Multi-Touch User Interface Utilizing Microsoft® Windows® 8
- Highly Scalable for Large Systems & Users
- Easy Integration into Existing Operational & Security Processes
- Support of Multiple Image & Video Formats

If you have any questions or concerns, please contact Joe Filippi, Sr. Account Manager, via phone at 513-658-7403 or email at [Joseph.Filippi@necam.com](mailto:Joseph.Filippi@necam.com).

Thank you for the opportunity to present this proposal for your review.

Sincerely,



Raffie Beroukhim  
Vice President  
Biometrics Solutions Division  
NEC Corporation of America

Empowered by Innovation



An NEC Solution for

# Chicago Police Department

NeoFace® Reveal Proposal

Proposal Number 02212013.01

February 21, 2013



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## Executive Summary

In support of Chicago Police Department's (CPD) ongoing commitment to the safety and security of its residents, NEC Corporation of America appreciates the opportunity to present CPD with this proposal for a NeoFace® Reveal facial identity solution.

Since the 1970s, NEC has invested significant resources in the research and development of core biometric identification technologies, and has consistently achieved world-leading results in independent, third-party testing. NEC's NeoFace facial recognition algorithms are the latest recipient of #1 ranked technology, as identified by the National Institute of Standards and Technology (NIST), and re-confirms NEC's superior matching capabilities within the world of face recognition.



The proposed NeoFace Reveal solution enables CPD to solve crimes and improve the City's security with facial recognition technology. Similar to a fingerprint latent capture and search subsystem, NeoFace Reveal allows CPD officers to scan and enhance poor quality latent face images for comparison to your photo repositories. NeoFace Reveal helps investigators identify individuals in crime scene photos, surveillance videos, and provides a set of side-by-side verification tools to help identify a person in a timely manner.

Adopted globally for law enforcement, immigration, and commercial applications, NEC's NeoFace Reveal is a state of the art facial recognition system designed to solve crimes even with the poorest of quality of images, saving valuable investigation time and resources.

## NeoFace at a Glance

- Facial Forensic Image Processing & Matching
- Powerful Image Enhancement Tools
- Independently Evaluated as the Most Accurate Face Recognition Solution in the Market
- Innovative Multi-Touch User Interface Utilizing Microsoft® Windows® 8
- Highly Scalable for Large Systems & Users
- Easy Integration into Existing Operational & Security Processes
- Support of Multiple Image & Video Formats

***Facial recognition technology brings efficiency to identity management with a less complex yet non-intrusive solution.***

# NeoFace® Reveal

With rise in surveillance cameras, online photographs and smart phones, the amount of forensic photographs that require processing is exponentially increasing. Facial images from real-time video, online digital media to hardcopy photographs increasingly hold clues of crime perpetrators that without the use of technology would go unsolved. NeoFace Reveal facial recognition technology is the most advanced facial detection and recognition technology that allows for detection, scanning and search of these poor quality photographs against a known database, and helps expedite criminal investigations to solve more crimes. Independent testing confirms that NeoFace technology provides the fastest, most accurate matching capability, and is the most resistant to variants in aging, race and pose angle.



NEC's NeoFace Reveal provides law enforcement and crime laboratory agencies the ability to enhance poor quality latent face images, search against mugshot repositories, and locate potential candidates. NeoFace Reveal allows authorities to match facial images against these potential candidates, ranking the database images against the probe image and providing a ranked candidate list. The solution allows operators to easily scroll through and review the candidate list, enabling a quick assessment by skilled experts.

NeoFace Reveal shows an immediate return on investment as it reduces investigation time and investigator workload. Most importantly, NeoFace Reveal helps turn previously unusable images into hard evidence to solve crimes.

## Industry Leading Facial Recognition Technology

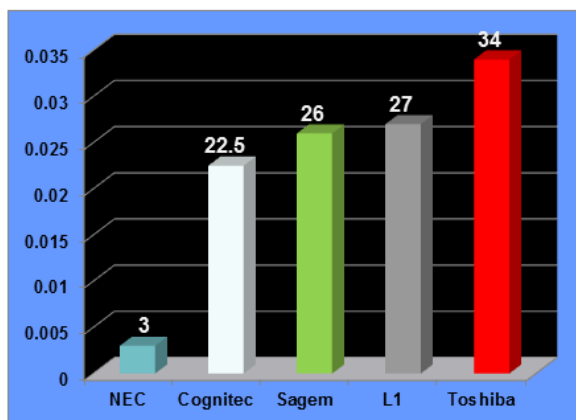
NEC's industry leading facial recognition technology will provide CPD with some of the many advantages of our NeoFace product suite. NeoFace is the most accurate facial recognition software available today, as independently verified by the National Institute of Standards and Technology (NIST). These tests also demonstrated that NeoFace provides the fastest matching capability while remaining resistant to variants in angle, age, and race. NeoFace is highly scalable for large traffic volumes and is capable of integrating into existing operational and security processes.

As demonstrated in Figure 1 below, the NeoFace overall accuracy and matching speed exceeded all other vendors' algorithms in the 2010 NIST Multiple Biometrics Evaluation (MBE) testing, while maintaining superior accuracy. A report of the complete test results can be viewed at: [http://www.nist.gov/customcf/get\\_pdf.cfm?pub\\_id=905968](http://www.nist.gov/customcf/get_pdf.cfm?pub_id=905968).



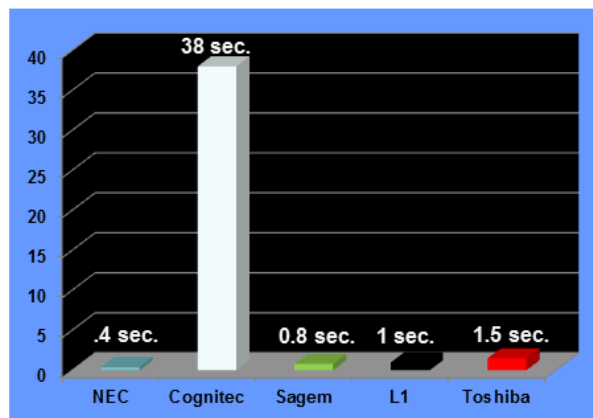
**Figure 1: NeoFace Facial Recognition – Superior Accuracy and Matching Speed**

### Highest Accuracy



**Number of errors per 1,000 searches**

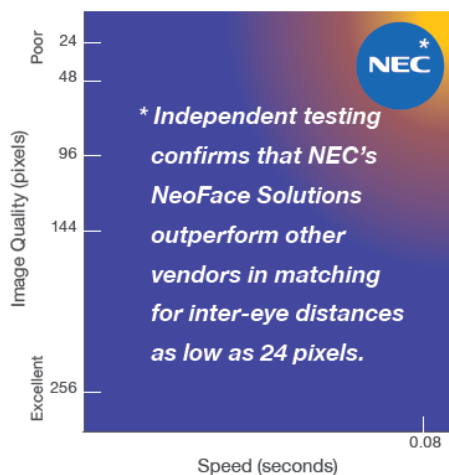
### Fastest Matching Speed



**NEC algorithm is 2.5X faster than next highest accuracy ranked vendor**

## Unsurpassed Accuracy & Matching Speed

The strength of NEC's NeoFace technology lies in its tolerance of poor quality. Highly compressed surveillance videos and images, previously considered of little or no value, are now usable evidence and leading to higher rates of positive identification. With its proven ability to match low resolution facial images down to 24 pixels between the eyes, NEC's NeoFace technology outperforms all other face recognition systems in matching accuracy. While searching of latent fingerprints at crime scenes is standard, NeoFace facial recognition technology can now positively identify latent photos with a high degree of accuracy.



NeoFace Reveal leverages NEC's best-in-breed facial enhancement and matching technology for the processing and comparison of latent facial images. Images can be retrieved from either previously captured still photos or pre-recorded video streams and matched against a master facial image database for identification of individuals.



## NeoFace Reveal Features

Features that NeoFace Reveal provides are discussed below:

- Security Authentication and Authorization
- System Administration & Reporting
- Image Capture
- Image Enhance
- Image Match
- Candidate Review



## Security Authentication and Authorization

NeoFace Reveal will provide a role-based security model. The system will be predefined with a set of system functions that the system administrator can assign to individual users or groups. These assignments control user access to both application features and system data.

The system will provide centralized user management, allowing for maintenance of users, groups, and their assigned system functions across all included applications. The system can provide password management meeting the FBI CJIS requirements or use CPD's Active Directory for password management.

## System Administration & Reporting

NeoFace Reveal will provide a robust report generation engine, allowing CPD to monitor the system and operator productivity. Reports include:

- User Activity Summary – Summarizes information by user for a specified timeframe. Click the User ID to drill down to a user's detailed information.
- DB Statistics Report – Provides database counts and statistical breakdowns.
- Daily Transaction Report – Summarizes facial recognition searches and hits on a weekday average, and day-of-month count total.
- Transaction History Audit – Tracks transaction history and changes.

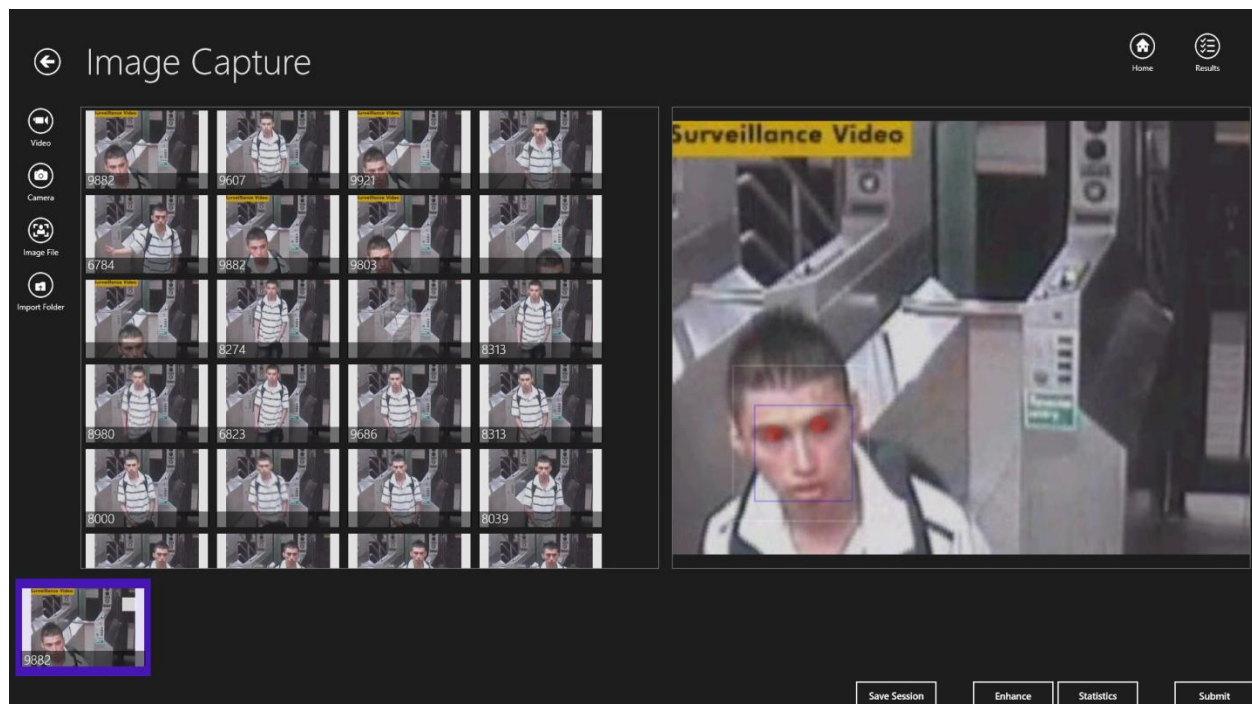
## Image Capture

NeoFace Reveal can process facial images obtained from either still images or video streams.

Still images can be imported through two different methods, depending on source and intended use. The first method is to select a single file from a locally available directory. This method uses the standard Windows file selection dialog. The second method is to batch input all images within a selected directory. Once input, NeoFace Reveal displays all images in a pick list from which additional review and processing can be accomplished. For both single file and batch input methods, multiple image file formats are supported, including BMP, TIFF, PGM, PNG, JPEG, and J2K. EBTS or NIST formatted files can also be imported.

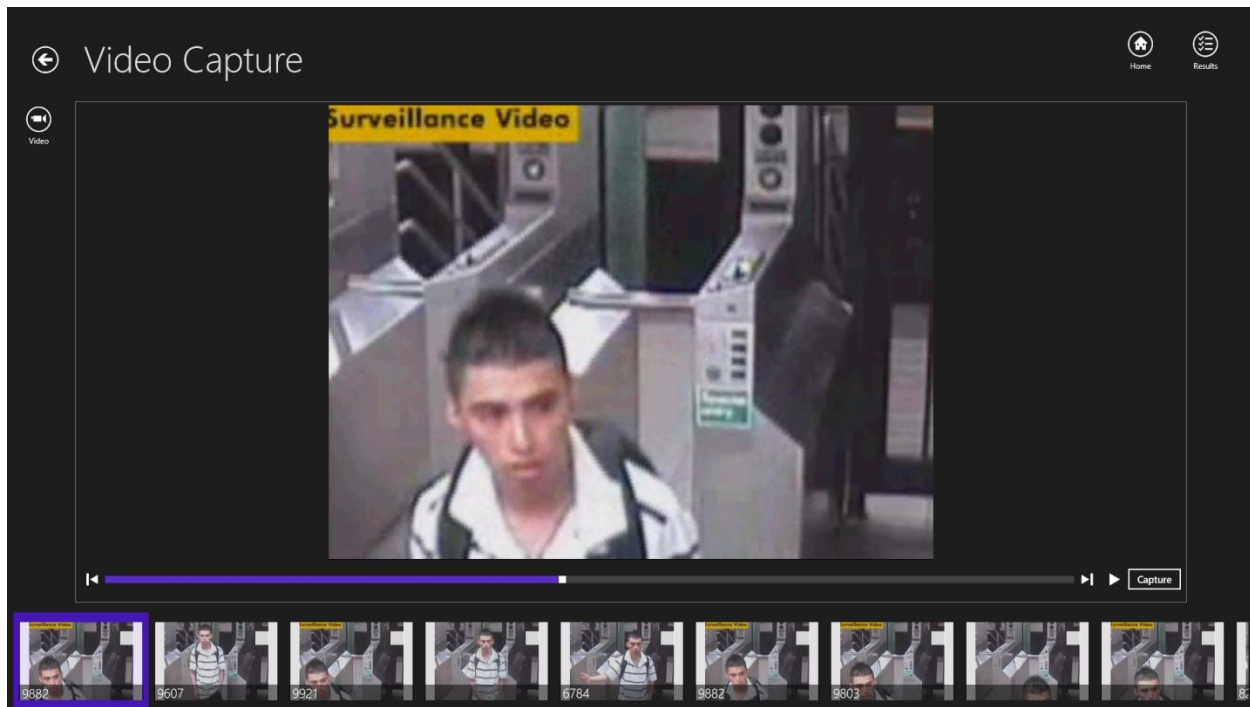
Once a still image of any type is imported, potential facial data is extracted and quality metrics are displayed, overlaying each image. This quality data can help determine the best images for further processing and searching.

**Figure 2: NeoFace Reveal – Effective Image Capture**



Previously recorded video streams can be loaded into the NeoFace Reveal workstation. The recorded stream files can be replayed and reviewed directly within the application, which allows for selection of video frames of interest. Once a video frame of interest is identified, the system can automatically capture subsequent selection of frames for additional quality assessment and review. The captured range is then processed in the same fashion as the still images.

**Figure 3: NeoFace Reveal – Easy Video Frame Capture and Selection**



## Image Enhance

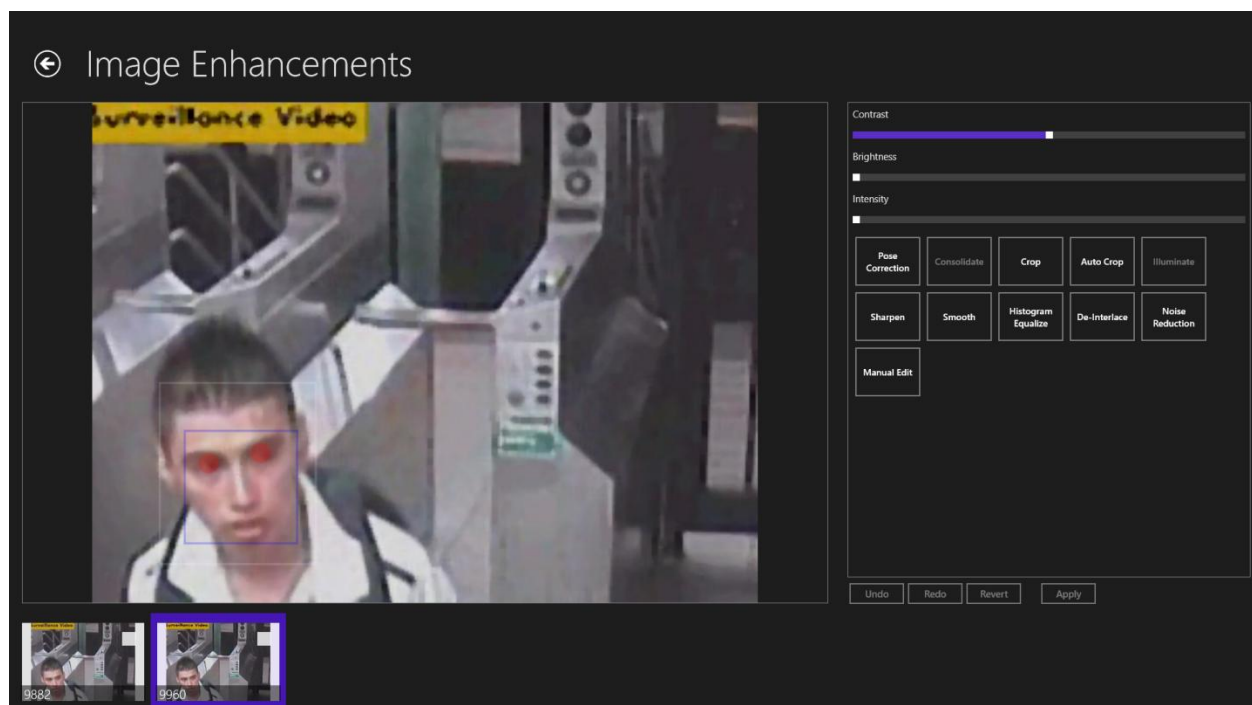
Due to poor quality or angle of captured images, enhancement routines may improve matching accuracy. NeoFace Reveal provides a comprehensive set of enhancement options, including both standard and advanced image enhancements to improve image quality and matching ability.

The standard image enhancements include overall image adjustments and filters applied to enhance detail and remove background noise. Some standard enhancements include crop/rotate, brightness, contrast, intensity, smooth, sharpen, histogram equalization, noise reduction, aspect ratio correction, and de-interlacing.

In addition to standard image enhancements, NeoFace Reveal includes several advanced enhancements, allowing correction of difficult to match images.

- **Pose Correction** – Pose correction attempts to generate a frontal face image from an image source that was captured off center. By using this specific 3D modeling tool, a rotated facial image can be generated with direct frontal facial, improving the facial matching score.
- **Consolidate** – Consolidation attempts to create a properly-posed frontal face image from a series of images. By selecting a series of images, a composite facial image can be created, allowing simulation of a frontal face image. This feature allows for partial face images from multiple video frames to be used to make a full facial image composite for matching against the mugshot repository,
- **Illuminate** – Illumination allows for correction of shadows due to off-center light sources. Manual selection of an area of the image will allow simulation of an additional light source.

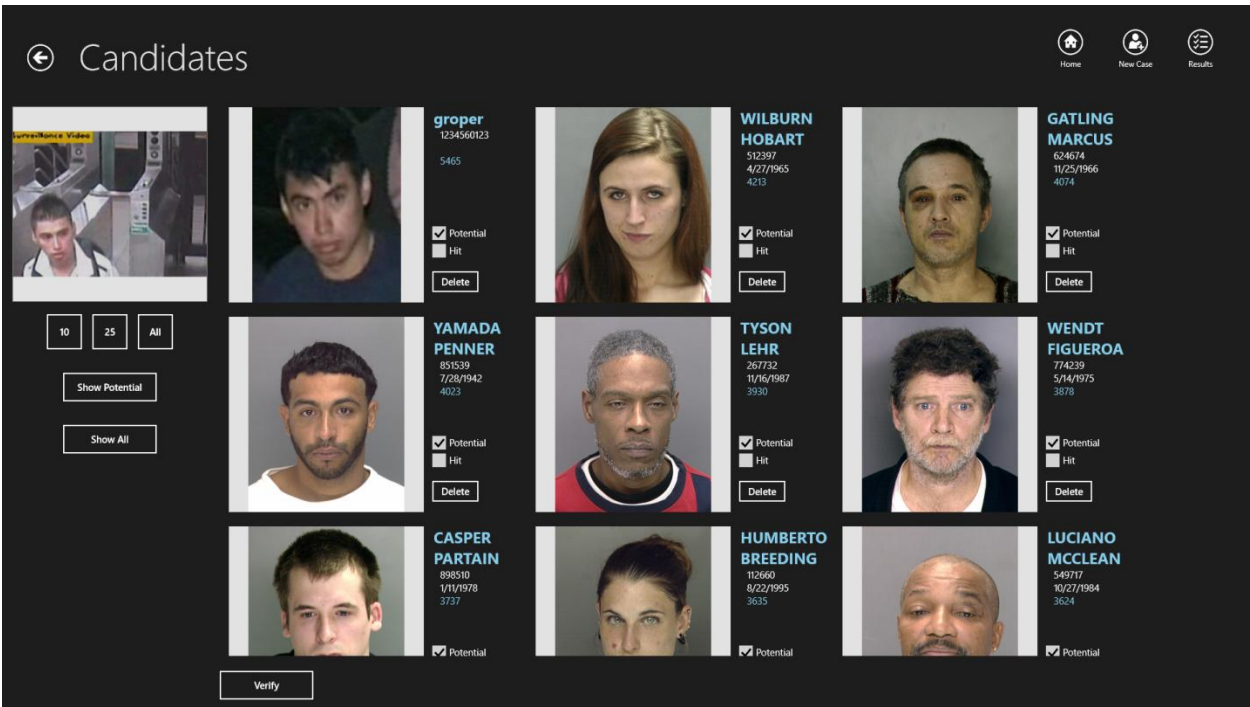
Figure 4: NeoFace Reveal – Image Enhancements



## Image Match

Once any desired image enhancements are applied, the latent facial image can be sent to the NeoFace Reveal Server for superior facial recognition matching. The matching process will compare the submitted image to all, or those selected demographic data pre-filtered images in the facial recognition database and assign a similarity score to each match. The facial images that are a likely match to the submitted image will be returned in a candidate list for manual review. Demographic filters such as age, gender, and race, crime type can be taken into account during the match process to limit the candidates returned if an initial non pre-filtered match request returns too many candidates.

Figure 5: NeoFace Reveal – Ranked Candidate List

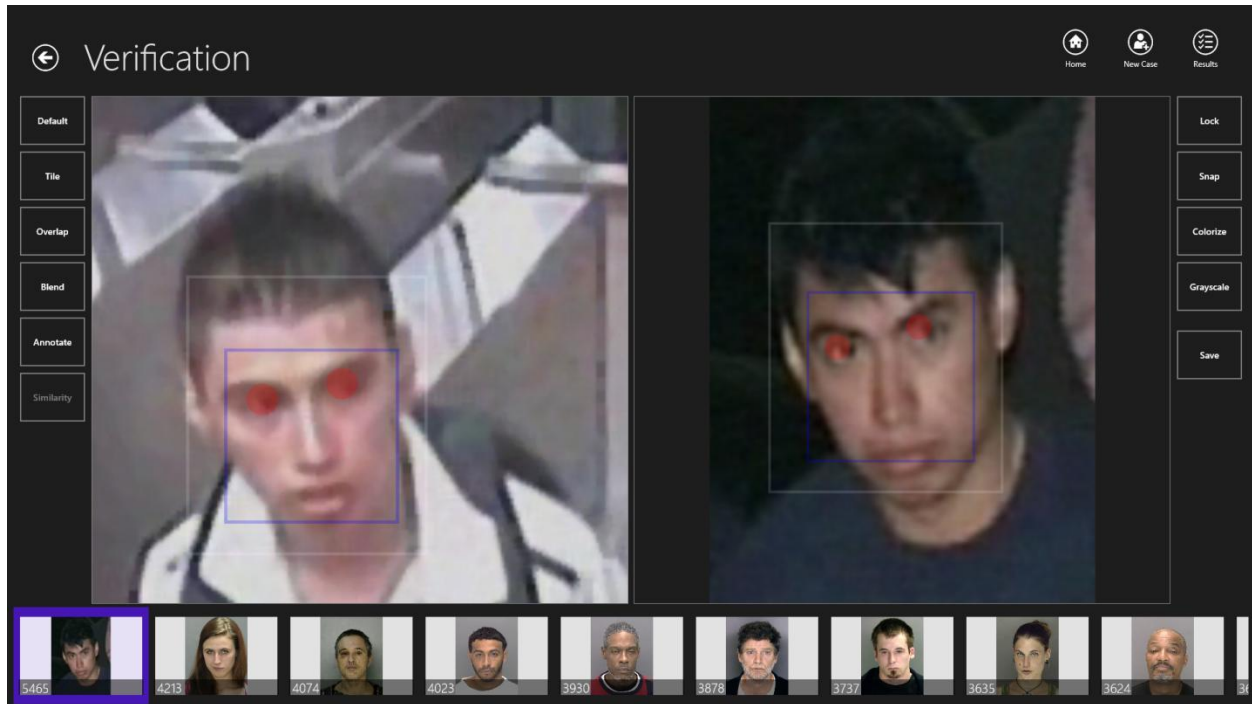




## Candidate Review

Candidate review allows for side-by-side comparison of the search image with any potential matched candidate images. Each potential candidate will be retrieved from the database and displayed in a summary view with the matching similarity score. A specific candidate can then be selected for side-by-side comparison where additional verification tools can be invoked to allow for closer comparison. Within this side-by-side comparison, advanced verification tools, such as colorization, grayscale, image overlap, and image blending can be applied to better distinguish individual candidates.

**Figure 6: NeoFace Reveal – Candidate Verification from Accessible Image Palette**

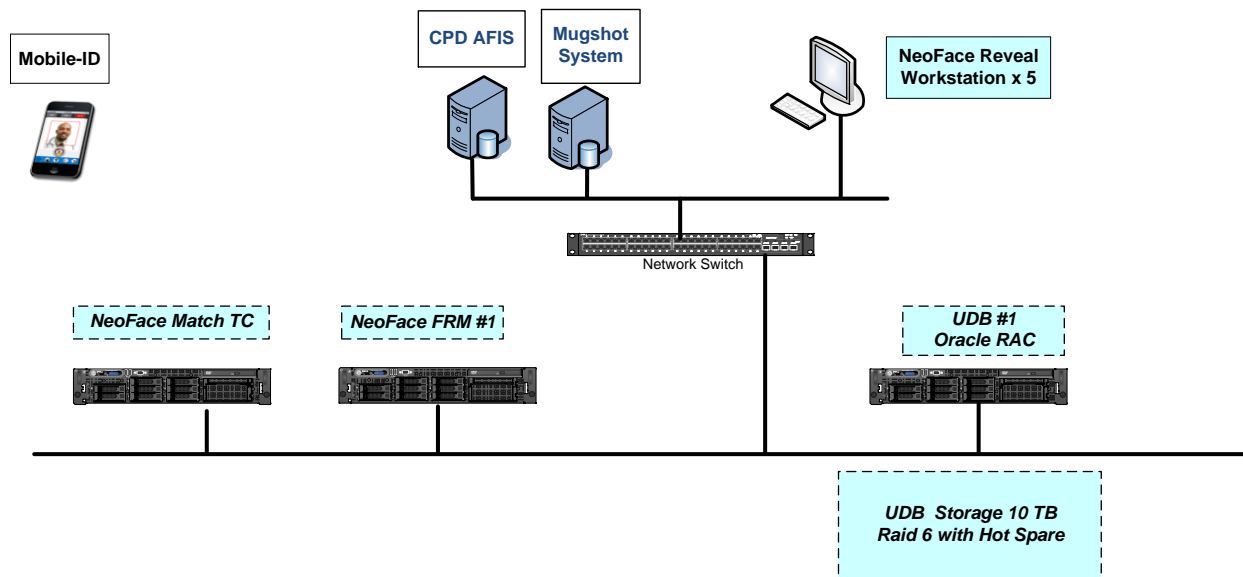


# NeoFace Reveal Configuration

As a solutions provider, NEC builds and delivers turnkey systems that meet CPD's exact needs and specifications. The proposed NeoFace Reveal architecture focuses on the integration of the NeoFace Reveal workstations into the existing CPD AFIS infrastructure, providing an integrated system that will support all of CPD's identification requirements.

Figure 7 is a high-level diagram illustrating the proposed NeoFace Reveal integration.

**Figure 7: Proposed NeoFace Reveal Configuration**





## Components Overview

The critical hardware components are easily expandable to meet future needs for growth and increased workloads. The integrated on-line transaction processing software and customized workflows will allow CPD to operate effectively with minimal operator intervention.

Table 1 provides an overview of the proposed baseline components that will be delivered as a part of NeoFace Reveal. The proposed solution is configured with the latest software technology. Any future system upgrades or updates will not affect the CPD identification operations, database integrity, remote site operations, or productivity.

The system is comprised of the following major functional components:

**Table 1: NeoFace Reveal Components**

SYSTEM COMPONENTS	DESCRIPTION
NeoFace Reveal Workstation	Microsoft Windows8®-based, the workstation serves as the user interface to NeoFace Reveal. It provides a single login point to run all available user functions such as image capture, image enhancement, and image match. User profile, however, dictates available functions.
NeoFace Match TC (Transaction Controller)	The Transaction Controller general-purpose server hosting Red Hat Linux AP® server (64 bit) and the NEC identity Enterprise Service Bus (iESB). It manages facial processing and workflows, maintains the Job Queue, and tracks all activities and roles for all users. It manages database updates, auditing, and external interfaces for the NeoFace solution.
NeoFace FRM (Facial Recognition Matcher)	The Facial Recognition Matchers are general-purpose servers hosting Red Hat Linux AP® server (64 bit). The MUs perform the matching. The MUs have the feature set templates distributed across them, and these templates are loaded into the server memory for easy and fast access.
NeoFace UDB (Database Controller)	The NeoFace-UDB is a general-purpose server that manages all access to the Unified Database. Face images, descriptive information, feature data, necessary Audit Trail data, report data, and user profile data are stored on the NeoFace-UDB.  The NeoFace-UDB uses Oracle RDBMS and Red Hat Linux AP® (64 bit) OS.

## Design Parameters

The NeoFace Reveal solution presented to CPD is based upon certain assumptions and requirements identified during our general discussions. In addition to the functional requirements, interfaces and workflows will need to be determined. NEC has made certain assumptions about workload requirements directly affecting the system sizing, as specified herein.

NEC proposes the following baseline design parameters for the CPD facial recognition solution based upon your performance desires and sizing requirements. These parameters are based on an operational schedule of seven days per week, twenty-four hours per day.

**Table 2: Database Design**

DATABASE		CONVERSION	DESIGN	REMARKS
<b>SMINUTIA/IMAGE DATABASE (SEARCHABLE)</b>	Mugshot Repository	4,500,000	6,000,000	Conversion of front facial images in JPEG format

**Table 3: Transaction Volumes**

TRANSACTION VOLUMES	DAILY	PEAK	AVG. RESPONSE TIME (MINUTES)	OP. HOURS	REMARKS
Mugshot/Facial Enrollments	1300	100	N/A	24	From CPD AFIS
Identification Inquiry	100	10	3	24	Lights Out from Mobile Devices
Latent Face Inquiry	20	5	5	24	From Reveal Workstations

**Table 4: Baseline Devices**

DEVICE	TYPE	DESIGN
Reveal Workstation	Full Function (Latent Face Input, Enhance, Match, and Verify	5

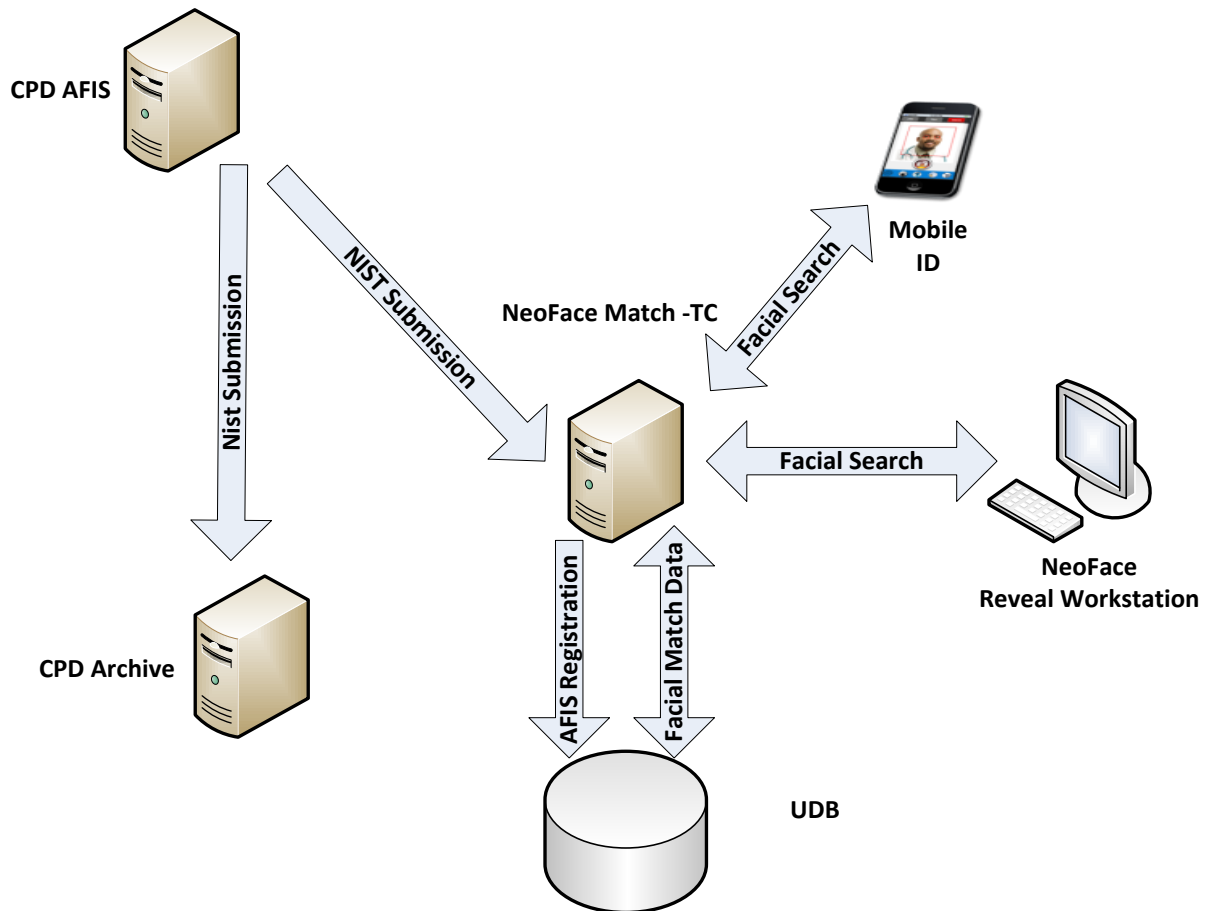
**Table 5: Baseline Interfaces**

FEATURE	REMARKS
NeoFace Match/AFIS Synchronization	AFIS will send NIST records to NeoFace Match at the same time it sends to Archive.

## Workflow Overview

Figure 8 provides an overview of the proposed automated facial image submission workflow.

Figure 8: Facial Workflow Overview



# NeoFace Reveal Professional Services

## Professional Services

NEC's Professional Services are based on a well-established lifecycle model and our experience in implementing Multi-Modal Biometric Identification Systems (MMBIS). Using proven methodologies to verify total system capability and reliability, NEC conducts extensive integration testing designed to assess all system interactions, including functionalities and applicable interfaces.

## Project Management

The NEC organization implements projects using methodology tied to the Project Management Body of Knowledge (PMBOK) from the Project Management Institute (PMI). The NEC Project Manager will use the NEC project lifecycle methodology and the current PMBOK standards to ensure a quality implementation, and to provide a comprehensive interface with CPD during the total project.

## NEC Responsibilities

NEC will designate a Project Manager who will direct NEC's efforts and serve as the primary point of contact for CPD. The responsibilities of the NEC Project Manager may include:

- Maintain project communications with the CPD Project Manager.
- Manage the efforts of NEC staff and coordinate NEC activities with the CPD Project Manager.
- Measure, evaluate, and report progress against the Project Schedule.
- Resolve deviations from the Project Schedule.
- Monitor the project to ensure that NEC resources are available as scheduled and as identified in the contract.
- Coordinate and oversee the installation of all licensed NEC application software.
- Review and administer change control procedures through the CPD Project Manager, commonly referenced as Project Change Orders, issued by the NEC Project Manager.
- Conduct status meetings via telephone or email with the CPD Project Manager. NEC will schedule status meetings to occur as defined within the Communications Plan.
- Provide timely responses to issues related to project progress raised by the CPD Project Manager.
- Prepare and submit periodic status reports that identify the activities of the previous reporting period, as well as activities planned for the current reporting period, as defined within the Communications Plan.
- Work with CPD project personnel in designing and approving the format of an Action Item Log to be used in conjunction with the Project Schedule. The purpose of the log is to identify outstanding issues, provide continual status updates on specific tasks, and identify responsibilities of the parties.

## CPD Project Responsibilities

CPD will designate a Project Manager who will direct CPD's efforts and serve as the primary point-of-contact to NEC. The responsibilities of the CPD Project Manager may include:

- Maintain project communications with NEC's Project Manager.
- Identify the efforts required of CPD to meet CPD's task requirements and milestones in the SOW and Project Schedule.
- Review the preliminary Project Schedule with NEC's Project Manager and assists NEC in developing a finalized Project Schedule defining the detailed tasks and a schedule of NEC and CPD responsibilities.
- Assist NEC in measuring and evaluating progress against the Project Schedule.
- Monitor the project to ensure that CPD resources are available as scheduled.
- Attend status meetings with NEC's Project Manager.
- Unless otherwise agreed to by the parties, provide information and documentation required by NEC within five (5) business days of NEC's request.
- Liaise and coordinate with other CPD agencies, other governmental agencies, and CPD's vendors, and contractors.
- Review and administer change control procedures, hardware and software certification, and all related project tasks required to maintain the implementation schedule.
- Ensure acceptable Standard Change Request and Approval Letters are approved by authorized signature(s).
- Work with NEC personnel in designing and approving the format of an Action Item Log to be used in conjunction with the project schedule. The purpose of the log is to identify outstanding issues, provide continual status updates on specific tasks, and identify responsibilities of the parties.
- Provide building access to NEC personnel to all facilities where the system is to be installed during the project.
- Provide proper security clearances and/or escorts as required to access the CPD site.

## Project Plan

NEC is prepared to begin the project immediately following contract completion and targets system delivery approximately 180 days after receipt of purchase order.

Presented below is a preliminary milestone schedule that starts with contract signing and covers a period of approximately nine (9) months from the completion and signoff of the project Scope of Work. The schedule includes milestones, action items, and responsibilities of NEC and CPD.

## Milestone Schedule

TASK GROUP	*DURATION	TASKS	DELIVERABLES
Contract Award and Negotiation	8 Weeks	<ul style="list-style-type: none"><li>• Site Survey</li><li>• Pre-planning</li><li>• Develop Scope of Work</li></ul>	<ul style="list-style-type: none"><li>• Signed Contract</li><li>• Purchase Order</li><li>• Site Survey Report</li><li>• Draft Scope of work</li></ul>
Network Definition, Workflow Specification, Record Layouts	10 Weeks	<ul style="list-style-type: none"><li>• Current Workflow and Process Audit</li><li>• Current Paperwork Audit</li><li>• Discuss Solution Design Concepts</li><li>• Meetings to Discuss Record Layouts, Network, and Interface Design Details</li></ul>	<ul style="list-style-type: none"><li>• Maintenance Plan</li><li>• Network Definition</li><li>• Workflow Specification</li><li>• Data Migration Plan</li><li>• Interface Specification</li><li>• Implementation Plan</li></ul>
Electronic Conversion	10 Weeks	<ul style="list-style-type: none"><li>• Conversion System Setup</li></ul>	<ul style="list-style-type: none"><li>• Load data</li></ul>
Testing, Implementation, Training	12 Weeks	<ul style="list-style-type: none"><li>• Hardware Installation</li><li>• Software Installation</li><li>• Factory Acceptance Test</li><li>• User Training</li><li>• System Acceptance</li></ul>	<ul style="list-style-type: none"><li>• SW Modifications Resulting from Testing</li><li>• User Training</li><li>• User Documentation</li><li>• System Final Acceptance Letter</li></ul>

## Assumptions

In an effort to make the installation process the most efficient and effective, NEC has made the following assumptions and will require these deliverables from the CPD Project Manager, in order to deliver a turnkey system:

- Wide area network (WAN) and local area network (LAN) infrastructure and appropriate data lines for efficient AFIS-central site operation.
- Mugshot NIST record layout (Types 1, 2, 4, and 10) is required. Inter-MMBIS tenprint connectivity capability has been developed based on compliance with national standards (ANSI/NIST, FBI, and NGI). This is needed for both enrollment and latent records
- The new MMBIS will support standard TCP/IP protocols; however, network TCP/IP addresses are required.
- Facility site layout is required for the MMBIS Backend.
- The customer shall be responsible for the MMBIS site preparation.
- Special training needs must be identified.
- The customer is responsible for providing all external system(s) interface specifications, external modifications, and testing with the NEC MMBIS interface. NEC is not responsible for delays caused by external system interface providers in meeting the NEC delivery schedules.
- Warranty and maintenance service requirements must be identified.

## User Training

NEC understands and recognizes that training is critical to the successful implementation of the Facial Recognition system. NEC is responsible for providing training on the proposed NeoFace Reveal system. NEC will provide a training plan to ensure proper operation and management of the systems. Training sessions include both classroom and hands-on instruction. We request that CPD ensures personnel are available for training at mutually agreed upon training dates.

The following courses are offered for Facial Recognition System training. The training session will be provided on the premises determined by CPD. NEC requests CPD to arrange the training premises with sufficient space and infrastructure, including LAN/WAN connection.

**Table 6: Training Courses**

COURSES
<b>FACIAL RECOGNITION PRODUCT BRIEF</b> <ol style="list-style-type: none"><li>1. Introduction to NEC Facial Technologies</li><li>2. Facial System Configuration</li><li>3. Brief Overview of the Components</li><li>4. Advantages of the Architecture</li><li>5. Overview of the Backend System</li><li>6. Interfaces and Integration</li><li>7. Facial Screens</li><li>8. Overview of Verification</li></ol>
<b>FACIAL SYSTEM OPERATIONS</b> <ol style="list-style-type: none"><li>1. Overview of the Facial System</li><li>2. Overview of Operations and Functionality</li><li>3. Simple Troubleshooting</li><li>4. Server Startup and Shutdown Procedure</li></ol>

## User Documentation

As a standard deliverable, each NeoFace Reveal workstation will include user documentation that provides guided step-by-step instructions for performing operational procedures, functions, and commands specific to NeoFace Reveal.



# Warranty and Maintenance Services<sup>1</sup>

NEC has maintained AFIS installations in North America since 1983 and understands the mission critical role that AFIS provides. This is especially true of agencies that rely on immediate identification as part of their booking process. Before expiration of the one-year warranty period, NEC will provide CPD with a comprehensive Maintenance Agreement designed to keep all system components, both hardware and software, in proper working order over the life of the system.

NEC will work with CPD to assist in determining the level of preventive maintenance required, ensuring maximum performance of the NeoFace Reveal system. NEC maintenance plans are very flexible and designed to meet the unique needs of AFIS managers.

During the one-year warranty period, NEC will provide the same level of coverage that CPD receives today. NEC will provide 24 x 7 coverage for the NeoFace Reveal system during the warranty period. The one-year warranty will include advanced remote diagnostics and maintenance and back-up support from regional MMBIS sites as well as the NEC National Support Center based in our headquarters office in Rancho Cordova, CA.

## Maintenance Features

- Dial-In/Remote Support is standard and will be used to provide first- and second-level support, as required.
- Local spare parts inventory of critical components if NEC is responsible for hardware maintenance.
- Staff of management and engineers who have years of expertise and experience in large- and small-scale AFIS support and maintenance.
- NEC will support ALL hardware and software we install.

## Warranty

NEC will provide CPD with a one-year warranty which provides 24 x 7 coverage for the proposed NeoFace Reveal system. This warranty will cover only NEC provided hardware and software components.

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<sup>1</sup> All references to hardware maintenance and spare parts assume that NEC will supply all hardware and software components and provide the maintenance. If CPD chooses to supply any hardware or software components, NEC will not be responsible for the warranty for these items unless all specifications that NEC prescribes are met. NEC will apply additional costs for warranty services to cover any components that are not supplied by NEC. This proposal does not include pricing for additional warranty costs to cover non-NEC provided components.

## Pricing

**Table 7: CPD Facial Recognition Solution Pricing**

Chicago Police Department NeoFace Reveal	
<b>NeoFace Reveal</b>	
AFIS Backend Servers and Peripherals	
(5) NeoFace Reveal Workstations	
NEC Software Licenses Including:	
NeoFace Matching License for 6,000,000 Subjects	
NeoFace REVEAL Workstation Licenses	
Third Party Software Licenses Including Oracle Standard Edition One	
<b>Professional Services</b>	
Conversion	
Integration to GTC System	
Software Customization	
Program Management	
Integration & Installation	
Training	
1 Year Warranty	
<b>Total</b>	<b>\$750,000</b>
<b>24x7 Annual Maintenance</b>	<b>\$87,762</b>

## Conditions

This is a quotation on the goods named, subject to the conditions noted below:

- Training is for up to 2 persons. Additional trainees will be at an additional cost.
- Quote is valid for 90 days after submission.
- The price does not include applicable State /Federal taxes.

# Bandwidth

## Introduction

AFIS applications utilize bandwidth on an on-demand basis. Normal, idle operations require minimal bandwidth for connectivity checks to the central server, job queue updates, etc. Usage bandwidth is characterized by peaks of activity dependent upon the operation (importing new arrest records or probe images/videos, viewing a list of candidates, etc.). Additional factors include image file resolution or file format changes and search throughput design.

## Bandwidth Requirements

Table 8 and Table 9 list the bandwidth required along with illustrations of the necessary backbone type. Figures given are dedicated bandwidth allocations per device. These requirements indicate the minimum necessary bandwidths for a productive user experience. Additional bandwidth will enhance performance accordingly.

**Table 8: Bandwidth Requirements – Remote Sites**

REMOTE PRODUCT TYPE	2D IMAGES	VIDEO
NeoFace Reveal Workstation	1.5 Mb (T1)	4 Mb (Bonded T1, Fractional DS3)
NeoFace Reveal Server	1.5 Mb (T1)	4 Mb (Bonded T1, Fractional DS3)
Contributing Livescan Stations	1.5 Mb (T1)	4 Mb (Bonded T1, Fractional DS3)

**Table 9: Bandwidth Requirements – Central Site**

CENTRAL SITE PRODUCT TYPE	2D IMAGES	VIDEO
NeoFace Reveal Workstation	100 Mb Fast Ethernet	1 Gb Ethernet
NeoFace Reveal Server	1 Gb Ethernet	1 Gb Ethernet
Central Site Remote Connection (inbound/outbound traffic to remotes†)	10 Mb (Bonded T1, Fractional DS3)	25 Mb (DS3/T3)

## Customer Network Requirements

The customer agrees and acknowledges that it is incumbent upon them to provide the necessary network infrastructure. At the customer's request and at an additional cost, NEC can provide network analysis services prior to the deployment of the NeoFace system. This analysis is helpful in accounting for the impact of additional network traffic, such as livescan submissions or VOIP, and determining network needs and health.

## CPD Network Infrastructure Responsibilities

In support of this proposal, CPD is responsible for the following:

- CPD will be responsible for CJIS security compliance, including:
  - Advanced authentication.
  - Encryption of Criminal Justice Information (CJI) on the mobile device.
  - Encryption of CJI in communication.
- CPD will be responsible for providing the wide area network (WAN) and local area network (LAN) infrastructure for the NeoFace Reveal system, as well as remote FastID and NeoFace Reveal workstations.
- NeoFace Reveal supports standard TCP/IP protocols. Network TCP/IP addresses and any network enhancements required to provide access to NeoFace Reveal are the responsibility of CPD.
- CPD is responsible for the site preparation (environmental and power), and NEC shall be consulted concerning the NeoFace Reveal system components and associated equipment layout.
- CPD is responsible for integration testing of all existing Livescan systems that currently submit to CPD.
- CPD is responsible for providing system(s) interface specifications, external modifications, and testing with the NeoFace Reveal interface.
- NEC is not responsible for any delay caused by external system interface providers in meeting the NEC delivery schedules.
- The specification related to data format, transmission, and testing for all proposed interfaces will be clearly defined in the Statement of Work (SOW) document, which will be mutually agreed upon prior to SOW execution.

## Additional Terms and Assumptions

This proposal and quote is valid for ninety days from the date of submission. It includes only those goods and services it specifically references, subject to the following terms and conditions.

Additional engineering effort beyond the scope of the standard product will be quoted at a firm fixed price based on our current service rates in effect at the time of the change, plus any related travel or administrative expenses.

At any time before Acceptance, NEC reserves the right to add, delete, and/or substitute items of Equipment and Software comprising the NeoFace Reveal Facial Recognition System and Workstations, provided that such substitution will not adversely affect system functionality and performance.

NEC reserves the right to substitute hardware of equal value with equal or better capability, based upon market availability. If, however, such equipment is unavailable, NEC will make its best effort to provide a suitable replacement.

Purchase orders should be sent to NEC by facsimile or United States mail. Please direct all order correspondence, including Purchase Order, to:

Raffie Beroukhim  
NEC Corporation of America  
10850 Gold Center Drive, Suite 200  
Rancho Cordova, CA 95670  
Tel: (800) 777-2347, (916) 463-7000  
Fax: (916) 463-7041  
Email: [raffie.beroukhim@necam.com](mailto:raffie.beroukhim@necam.com)

NEC appreciates the opportunity to present this proposal. Product purchase will be governed by the NEC Standard Sales Purchase Agreement, a copy of which is attached for your convenience. Firm delivery schedules will be provided and development will commence after CPD and NEC have signed the finalized Scope of Work. Prices are exclusive of any and all state or local taxes, or other fees or levies. No subsequent Purchase Order can override such terms. Nothing additional shall be binding upon NEC unless a subsequent agreement is signed by both parties.

### Exhibits

System and Services Sales Agreement (attached)



## SYSTEM AND SERVICES SALES AGREEMENT

This Agreement is made by and between **NEC Corporation of America**, a Nevada corporation with a place of business at 6535 N. State Hwy 161, Irving, Texas 75039 (hereinafter referred to as "CONTRACTOR") and [REDACTED] (hereinafter referred to as "CUSTOMER") (collectively, the "Parties" or individually a "Party").

This AGREEMENT includes following Exhibits:

- Exhibit I – Payment Milestones
- Exhibit II – System Description and Equipment List
- Exhibit III – AFIS Software End User License Agreement
- Exhibit IV – Scope of Work

### WITNESSETH

WHEREAS CUSTOMER requires the furnishing and installing of automated fingerprint identification equipment and goods and services related thereto, and licensing of required software; and

WHEREAS CUSTOMER desires to purchase said equipment and services, and license such software, subject to the terms and covenants hereinafter contained; and

WHEREAS CONTRACTOR desires to sell such equipment and services, and license such software, as hereinafter defined, to CUSTOMER pursuant to the terms and conditions and for the purposes set forth in this AGREEMENT.

NOW, THEREFORE, for and in consideration of the premises and covenants hereinafter contained, the parties hereto agree as follows:

### **1. DEFINITIONS**

1.1 Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this AGREEMENT it shall have the meaning herein set forth.

- |    |                           |   |
|----|---------------------------|---|
| A. | ACCEPTANCE OR<br>ACCEPTED | Successful completion of the Acceptance Test stated in Section 7, hereof.   |
| B. | ACCEPTANCE TEST<br>PLAN   | The level of accuracy and SYSTEM throughput performance rates mutually agreed upon by the Parties and guaranteed by CONTRACTOR. |

C. EQUIPMENT	The equipment listed in Exhibit II hereto.
D. AFIS SOFTWARE	The Automated Fingerprint Identification System software licensed and supplied with the SYSTEM.
E. SYSTEM	The totality of the EQUIPMENT and AFIS SOFTWARE
F. SYSTEM DOCUMENTATION	User and operator manuals and any other documentation provided to CUSTOMER with the SYSTEM. The following documentation shall constitute this AGREEMENT and in the event of any inconsistency between the provisions of this AGREEMENT, the inconsistency shall be resolved by giving precedence in the following order:
G. AGREEMENT	<ol style="list-style-type: none"> <li>1. This document entitled " SYSTEM AND SERVICES SALES AGREEMENT" and any Exhibits specified herein;</li> <li>2. SCOPE OF WORK; and</li> <li>3. CONTRACTOR's Proposal.</li> </ol>
H. SCOPE OF WORK	The SCOPE OF WORK ("SOW") describes the delivery of Equipment and services, customization, functionality and performance as mutually prepared and agreed upon by the Parties.
I. PRODUCTIVE USE OF THE SYSTEM	Use of the SYSTEM by the CUSTOMER except for testing or training whereby the input, match, and registration of fingerprints from applicants, arrestees or crime scenes are occurring.
J. THIRD PARTY SOFTWARE	Any third-party software installed on the SYSTEM and any other software not considered AFIS SOFTWARE.
K. SITE PREPARATION PLAN	A Site Preparation Plan is the document which denotes system specifications which pertain to the housing of an SYSTEM in the CUSTOMER's environment.

## 2. **TERM OF AGREEMENT**

- 2.1 This AGREEMENT shall become effective on the day that it is signed by both CONTRACTOR and CUSTOMER and shall continue in effect thereafter unless terminated under Section 9. If the Parties sign on different days, the day of the last to sign shall be the effective date ("Effective Date").



- 2.2 This AGREEMENT shall be subject to all budgeting and fiscal requirements provided for by the laws of the State of [REDACTED]. It shall terminate without penalty at the end of any fiscal year in the event funds are not appropriated for the ensuing year. If funds are not appropriated for a portion of the fiscal year, this AGREEMENT will terminate, without penalty, at the end of the term for which funds are appropriated.

3. **SITE PREPARATION**

- 3.1 Unless CONTRACTOR has agreed by separate written agreement to perform site preparation services, CUSTOMER shall be responsible, at its expense, for all costs for preparing the installation site in accordance with a site survey report described below.

A site survey report describing any and all power, mechanical, and environmental conditions, requirements, and/or site modifications due precedent to the installation of the SYSTEM and which fully describes the responsibilities of both CUSTOMER and CONTRACTOR to effect such modifications or installations as may be required to install the SYSTEM is due for delivery to CUSTOMER no later than thirty (30) days following the Effective Date of this AGREEMENT.

- 3.2 If CONTRACTOR agrees to perform site preparation, then CONTRACTOR shall prepare the site in accordance with a separate Site Preparation Agreement between CONTRACTOR and CUSTOMER.

4. **DELIVERY, TITLE AND RISK OF LOSS**

- 4.1 The EQUIPMENT will be shipped via CPT Destination. CONTRACTOR will select the carrier for shipment and CUSTOMER will bear the shipping costs as specified in Exhibit II. Risk of loss shall pass to CUSTOMER upon shipment.
- 4.2 During the Warranty Period (as defined in Section 13.2), CONTRACTOR shall bear the cost of shipping and insurance when the EQUIPMENT is shipped for mechanical replacement or remedial maintenance purposes, unless such replacement was due to fault or negligence of CUSTOMER.
- 4.3 CONTRACTOR shall bear the cost of all import and export duties and related brokerage fees.

5. **DELIVERY**

- 5.1 All EQUIPMENT and AFIS SOFTWARE (as identified in Exhibit II) shall be delivered according to the SCOPE OF WORK attached hereto as Exhibit IV.

6. **INSTALLATION OF EQUIPMENT**

- 6.1 CONTRACTOR shall install the EQUIPMENT and otherwise prepare the SYSTEM ready for acceptance testing.
- 6.2 Any changes by CUSTOMER to an order or any part thereof may require the establishment of a new and/or additional mutually agreeable installation date.

6.3 The SYSTEM shall not be considered ready for acceptance testing until CONTRACTOR provides CUSTOMER with a written notice, signed by CONTRACTOR that the SYSTEM has been installed and is ready for acceptance testing.

6.4 CUSTOMER shall provide CONTRACTOR all necessary access to all installation sites for the purpose of installing EQUIPMENT prior to the installation date.

## 7. **ACCEPTANCE TEST PLAN AND ACCEPTANCE TEST**

7.1 The ACCEPTANCE TEST PLAN shall be prepared and agreed upon by both Parties and is the reflection of the SOW agreed between the Parties. ACCEPTANCE shall occur upon the date of successful completion of acceptance testing as specified in Section 7.2. ACCEPTANCE under Section 7.2, below shall be final and not subject to any revocation by CUSTOMER.

7.2 The ACCEPTANCE TEST shall be conducted expeditiously. Within three (3) days of CONTRACTOR's written notice that the SYSTEM has been installed and is ready for acceptance testing, CUSTOMER's personnel shall begin to conduct acceptance testing. CUSTOMER shall complete the acceptance testing within the timeframe allowed in the ACCEPTANCE TEST PLAN. The SYSTEM shall be ACCEPTED on the date that the ACCEPTANCE TEST PLAN is successfully completed or Parties agree to acceptance with a list of deficiencies (punch list) or when the SYSTEM is in PRODUCTIVE USE by the CUSTOMER as provided in Section 8, whichever occurs first. If the acceptance testing discloses operational deficiencies in the SYSTEM, the Parties shall prepare and mutually agree to a detailed list of all such deficiencies. CONTRACTOR shall correct all deficiencies placed on the list of deficiencies according to a mutually agreed timeframe. In the event that the SYSTEM fails to pass acceptance testing as described in the ACCEPTANCE TEST PLAN, CUSTOMER shall repeat the execution of the ACCEPTANCE TEST PLAN once CONTRACTOR has made the necessary changes and to accept the SYSTEM either without deficiency or with a mutually agreed deficiency list and correction timeframe

## 8. **PRODUCTIVE USE**

In the event any EQUIPMENT or AFIS SOFTWARE delivered after the date of execution of this Agreement is put into PRODUCTIVE USE by the CUSTOMER, notwithstanding any failure to pass any ACCEPTANCE TEST, the applicable warranty provided shall commence and CUSTOMER shall pay the remaining balance of all monies due. In the event such PRODUCTIVE USE extends for a cumulative duration in excess of sixty (60) days, then the EQUIPMENT and AFIS SOFTWARE shall be deemed ACCEPTED. Productive Use means CUSTOMER's use of the EQUIPMENT or AFIS SOFTWARE for any purposes other than testing or training, including but not limited to any use in connection with CUSTOMER's normal workload.

## 9. **TERMINATION**

9.1 An event of default shall occur (i) if CUSTOMER fails to pay any sum when due; or (ii) if either Party fails to perform or observe any material covenant or agreement to be performed or observed herein. For purposes of this AGREEMENT, a material covenant or agreement shall be defined as one stated in this AGREEMENT, the breach of which would likely cause the other Party to suffer material harm to its business or reputation.

- 9.2 Upon the occurrence of any event of default by CUSTOMER described herein and unless such default is cured pursuant to the provisions stated herein, at any time thereafter, CONTRACTOR may, in its sole discretion and approval, do one or more of the following: (i) upon written notice to CUSTOMER, terminate this AGREEMENT; (ii) recover all sums then due and payable from CUSTOMER; (iii) demand the return of all confidential information and property of CONTRACTOR held by Company, including but not limited to any documentation related to services and the SYSTEM, (iv) suspend the installation or delivery of EQUIPMENT, SOFTWARE or provision of services, (v) render the SYSTEM inoperable; (vi) suspend any warranty or service obligations; or (vii) proceed by court order to enforce the terms hereof or recover damages for breach hereof.
- 9.3 Except as expressly set forth below, prior to enforcing any remedies stated herein the Party claiming default shall provide the other Party with a written statement detailing the event of default. The other Party shall have thirty (30) days (fifteen (15) days in the event of payment default as stated above) from receipt of such written statement to cure the default. If the default is not resolved within the time stated above then the aggrieved Party may seek the remedies set forth above.
- 9.4 Nothing herein shall prohibit either Party from seeking a temporary restraining order, preliminary injunction or other equitable relief (particularly in the event of a default arising out of the confidentiality provisions) from a court of competent jurisdiction if, in such Party's judgment, such action is necessary to avoid irreparable damage or to preserve the status quo.

10. **PRICE AND PAYMENT**

- 10.1 Prices for the SYSTEM purchased/licensed and related services under this AGREEMENT shall be \$ [REDACTED] in U.S. Dollars, in accordance to the Payment Milestones attached hereto as Exhibit I. Any taxes shall be in addition to the prices listed and if required to be collected or paid by CONTRACTOR shall be paid by CUSTOMER to CONTRACTOR. Unless specified otherwise in this Agreement, Customer acknowledges that the purchase of the SYSTEM constitutes a bundled transaction or mixed transaction for sales tax purposes and, as such, is fully subject to sales tax. If claiming a sales tax or similar exemption, CUSTOMER must provide CONTRACTOR with valid tax exemption certificates where deliveries are to be made prior to delivery of the SYSTEM.
- 10.2 Payment is due within thirty (30) days from the date of invoice. Any invoices not paid within thirty (30) days of the dates specified above shall incur a service charge at the rate of one and one half percent (1 1/2%) per month on any outstanding overdue balance.
- 10.3 Purchase Order means a CUSTOMER-issued document used for ordering Services under this Agreement. All Purchase Orders are subject to review and acceptance by an authorized representative of CONTRACTOR. No preprinted Purchase Order terms shall be binding upon CONTRACTOR, unless otherwise expressly agreed to in writing by an authorized representative of CONTRACTOR.
- 10.4 Remittance shall be sent to the following address unless otherwise directed by written instruction:

NEC Corporation of America  
Lock Box 22529  
22529 Network Place  
Chicago, IL 60673-1225

11. **FORCE MAJEURE**

- 11.1 CONTRACTOR shall not be liable for any loss or damage resulting from delays in performance or from failure to perform due in whole or in part to insurrection, civil war, revolutions, war (declared or undeclared), any Governmental Act, fires, floods, epidemics, embargoes, lockouts, strikes or for any other cause or causes beyond the reasonable control of CONTRACTOR.

12. **TITLE/LICENSING**

- 12.1 CONTRACTOR certifies that title to the EQUIPMENT acquired under this AGREEMENT is free and clear of all liens and encumbrances. Title shall pass to CUSTOMER upon shipment.
- 12.2 CUSTOMER is granted a perpetual license only to use the AFIS SOFTWARE furnished under this AGREEMENT pursuant to the terms and conditions of the NEC Corporation of America AFIS Software End User License Agreement attached hereto as Exhibit III and made a part hereof.
- 12.3 Some THIRD-PARTY SOFTWARE shall be licensed to CUSTOMER pursuant to the terms and conditions of the End User License Agreement delivered with such THIRD-PARTY SOFTWARE.
- 12.4 CUSTOMER hereby grants to CONTRACTOR a security interest in the EQUIPMENT furnished under this AGREEMENT and the proceeds thereof until the purchase price has been fully satisfied. CUSTOMER shall execute any documents CONTRACTOR reasonably deems necessary to perfect that security interest and, in any event, a copy of this AGREEMENT may be filed for that purpose at any time after signature.

13. **WARRANTY**

- 13.1 CONTRACTOR specifies that only new equipment which meets the published performance criteria of the manufacturer has been used in fabricating the SYSTEM. To the extent CUSTOMER purchases any Services hereunder, CONTRACTOR warrants and represents that competent, qualified personnel shall perform such services in a professional manner consistent with industry standards and such services shall meet the specifications described in Exhibit II.
- 13.2 For a period of **six (6)** months after the date of installation the SYSTEM will substantially conform to the specifications described in the SCOPE OF WORK. In the event that the SYSTEM fails to operate in accordance with this warranty during the Warranty Period, CUSTOMER's exclusive remedy and CONTRACTOR's sole liability shall be to repair the affected EQUIPMENT or provide a correction or workaround for any reproducible errors in the AFIS SOFTWARE.

- 13.3 The warranty is personal to CUSTOMER and may not be transferred. The warranty does not apply if any of the AFIS SOFTWARE or EQUIPMENT (a) has been altered, except by CONTRACTOR or its authorized representative, (b) has not been installed, operated, repaired, or maintained in accordance with CONTRACTOR's instructions, (c) has been subjected to abnormal physical or electrical stress, abnormal environmental conditions, misuse, negligence, or accident, or (d) fails to operate due to a malfunction by third party software or hardware not supplied by CONTRACTOR.
13. CUSTOMER is solely responsible for the evaluation of its software requirements and security measures. EXCEPT AS EXPRESSLY STATED IN SECTION 13 OF THIS AGREEMENT, CONTRACTOR AND ITS LICENSORS/SUPPLIERS PROVIDE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, REGARDING OR RELATING TO THE SYSTEM AND SERVICES PROVIDED HEREUNDER OR IN CONNECTION HERewith OR THAT THE AFIS SOFTWARE WILL OPERATE ERROR FREE AND WITHOUT INTERRUPTION. CONTRACTOR AND ITS LICENSORS/SUPPLIERS SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THOSE OF NONINFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO REPRESENTATION OR OTHER AFFIRMATION OF FACT, INCLUDING BUT NOT LIMITED TO STATEMENTS REGARDING CAPACITY, SUITABILITY FOR USE OR PERFORMANCE, WHETHER MADE BY CONTRACTOR EMPLOYEES OR OTHERWISE, WHICH IS NOT CONTAINED IN THIS AGREEMENT SHALL BE DEEMED TO BE A WARRANTY BY CONTRACTOR FOR ANY PURPOSE OR GIVE RISE TO ANY LIABILITY OF CONTRACTOR WHATSOEVER.
14. **RESERVED**
15. **CONFIDENTIAL INFORMATION**
- 15.1 Each Party understands and agrees that in the performance of work or services under this AGREEMENT, or in contemplation thereof, the other Party may have access to private or confidential information which may be owned or controlled by the other Party, and that such information may contain proprietary details, disclosures, or sensitive information which disclosure to or use by a third Party will be damaging or illegal. The receiving Party agrees that all information disclosed by the other Party which is in written form and which is marked confidential shall be held in confidence and used only in performance of services under this AGREEMENT. The receiving Party shall exercise the same standard of care to protect such information as is used to protect his own proprietary data.
- 15.2 "Confidential Information" as used herein shall mean the confidential and proprietary data, trade secrets, and information developed or acquired by either Party or any third-Party software provider and marked or clearly designated in writing as such. Confidential Information does not include any data or information which: (i) was in the receiving Party's lawful possession prior to the submission thereof by disclosing Party; (ii) is later lawfully obtained by the receiving Party from a third Party under no obligation of secrecy; (iii) is independently developed by the receiving Party; (iv) is, or later becomes, available to the public through no act or failure to act by the receiving Party; or (v) is required to be disclosed by law, regulation, or code.

15.3 The receiving Party will keep all Confidential Information in confidence, except as may otherwise be required by law or court order, and will not disclose, transfer, publish, sell, or license any item of Confidential Information to any person other than its employees, and employees of its parent company, agents, or the subcontractor who need to know the same in the performance of its duties and who are bound to protect such Confidential Information under terms at least as restrictive as those in this Agreement.

15.5 If CUSTOMER receives a third-Party request for Confidential Information, it shall promptly notify CONTRACTOR of the request. Unless CONTRACTOR first approves disclosure of the Confidential Information in writing, CUSTOMER agrees to use reasonable efforts to timely request an opinion from the California Attorney General. Upon receipt of an Attorney General opinion holding that all or some part of the requested Confidential Information shall be disclosed, CUSTOMER shall disclose such information to the requesting third Party unless enjoined from doing so by a court of competent jurisdiction.

16. **INFRINGEMENT INDEMNIFICATION**

16.1 CONTRACTOR shall defend any action, suit or proceeding brought against CUSTOMER so far as it is based on a claim that the use or transfer of any EQUIPMENT or AFIS SOFTWARE delivered hereunder constitutes an infringement of any United States patent or copyright, provided that CONTRACTOR is promptly notified by CUSTOMER of the action and given full authority, information and assistance (at CONTRACTOR's expense) for the defense of the action. CONTRACTOR shall pay all damages and costs awarded therein against CUSTOMER but shall not be responsible for any compromise made without its consent. CONTRACTOR may, at any time it is concerned over the possibility of such an infringement, at its option and expense, replace or modify the aforementioned products so that infringement will not exist, or remove the products involved and refund to CUSTOMER the price thereof as depreciated or amortized by an equal annual amount over the lifetime of the products as established by CONTRACTOR.

16.2 CONTRACTOR shall have no liability to CUSTOMER under any provisions of this clause if any patent infringement or claim thereof is based upon (i) the use of the EQUIPMENT or AFIS SOFTWARE delivered hereunder in connection or in combination with equipment, devices, or software not supplied by CONTRACTOR, (ii) the use of the EQUIPMENT or AFIS SOFTWARE in a manner for which the products were not designed, (iii) the use of other than the current release of the AFIS SOFTWARE licensed by CONTRACTOR if the infringement or claim could have been avoided by use of the current release; or (iv) the alteration or modification of the EQUIPMENT or AFIS SOFTWARE not made pursuant to CONTRACTOR's instructions.

16.3 CUSTOMER shall indemnify and hold harmless CONTRACTOR from any loss, cost or expense suffered or incurred in connection with any claim, suit or proceeding brought against CONTRACTOR so far as it is based on a claim that the manufacture or sale of any products delivered hereunder and modified or altered or combined with any equipment, device, or software not supplied by CONTRACTOR hereunder constitutes such an infringement because of such modification, alteration or combination.

16.4 Exclusive Remedy. The foregoing provisions state the entire liability and obligations of each party, and the exclusive remedy of the other, with respect to any alleged intellectual property infringement hereunder.

- 16.5 CUSTOMER agrees that: (i) under no circumstances will CUSTOMER subpoena CONTRACTOR without CONTRACTOR's General Counsel's written consent in any litigation or other proceeding involving CUSTOMER, and (ii) if CONTRACTOR is subpoenaed by a third party in connection with a litigation or other proceeding involving CUSTOMER, CUSTOMER shall reimburse CONTRACTOR for all attorneys' fees and other fees incurred by CONTRACTOR and pay CONTRACTOR a reasonable fee for the time and effort expended by CONTRACTOR in connection with any such subpoena.

17. **LIMITATION OF LIABILITY**

- 17.1 IN NO EVENT SHALL CONTRACTOR OR CONTRACTOR'S LICENSORS BE LIABLE TO CUSTOMER FOR (I) ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR (II) ANY DAMAGES OR COSTS RESULTING FROM LOSS OF USE, GOODWILL, DATA, SAVINGS OR PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE WHICH MAY ARISE OUT OF THE USE OF THE SYSTEM OR IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT WILL CONTRACTOR'S OR ITS LICENSORS' TOTAL CUMULATIVE LIABILITY TO CUSTOMER FOR DAMAGES UNDER THIS AGREEMENT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO CONTRACTOR UNDER THIS AGREEMENT. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO DAMAGES ARISING OUT OF PERSONAL INJURY OR DEATH DUE TO CONTRACTOR'S NEGLIGENCE.
- 17.2 In no event will CONTRACTOR be liable for any damages caused by CUSTOMER's failure to perform its responsibilities.

18. **SCOPE OF WORK("SOW") CHANGES**

- 18.1 CUSTOMER may request changes in the SOW in connection with the performance of the AGREEMENT. CONTRACTOR will use commercially reasonable efforts to evaluate the implications of such changes, including, without limitation, the cost and schedule of any proposed changes.
- i. If changes in design, workmanship, or material are of such a nature as to increase the cost of any part of the work, the price fixed in this AGREEMENT will be adjusted by such amount as CONTRACTOR and CUSTOMER agree upon as the reasonable and proper allowance for the adjustment in the cost of the work.
  - ii. A change in the SOW will not be valid unless CONTRACTOR has provided written approval of such change and the resulting adjustment in price has been agreed upon in writing by CONTRACTOR and CUSTOMER. No oral statement of any person whosoever shall in any manner or degree modifies or otherwise affects the terms of this AGREEMENT or the requirements of the SOW.

19. **GOVERNING LAW**

- 19.1 This AGREEMENT shall be deemed to be made in, and shall be construed in accordance with the laws of, the State of California. The Uniform Computer Information Transactions Act does not apply to this Agreement or any change order.
- 19.2 Except for matters in which the dispute relates to a breach of the provision set forth in Section 15.0 (Confidentiality), any controversy or claim arising out of or relating to this



AGREEMENT, or breach thereof, shall be settled in arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

- 19.3 Before a demand for arbitration may be filed by either Party, the management of both parties shall have met at least two times in face-to-face meetings in an effort to resolve any dispute or controversy through normal business management practices. Unless otherwise agreed to in writing, a minimum of one meeting shall take place at each Party's home office location.
- 19.4 The arbitrator(s) shall have no power or authority to add to or detract from this AGREEMENT of the parties. The arbitrator(s) shall have no authority to award damages over and above those provided for in this AGREEMENT and in any event shall not exceed the limitations set forth herein, even if the remedy or limitation of liability provisions set forth in this AGREEMENT shall for any reason whatsoever be held unenforceable or inapplicable.
- 19.5 Neither Party nor the arbitrator(s) may disclose the existence or results of any arbitration hereunder, except if the arbitration results in a Court imposed judgment, the non-disclosure restriction shall not be effective to the extent the matter becomes a public record.
- 19.6 Each Party shall bear its own costs in preparing for and conducting arbitration, except that the joint costs, if any, of the actual arbitration proceeding shall be shared equally by the parties.

20. **NOTICE TO PARTIES**

- 20.1 All notices under this AGREEMENT shall be delivered personally, sent by confirmed facsimile transmission, sent by nationally recognized express courier, or sent by certified or registered U.S. mail, return receipt requested, to the address shown below or such other address as may be specified by either Party to the other Party in compliance with this Section. Notices shall be deemed effective on personal receipt, receipt of such electronic facsimile with confirmation, two (2) days after such delivery by courier, or four (4) days after such mailing by U.S. mail, as the case may be. Notices shall be sent as follows:

Notices to CONTRACTOR shall be addressed to:

NEC Corporation of America  
6535 N. State Hwy 161  
Irving, TX 75039  
Attn: Legal Division – Contract Administration Department

With a copy to:

NEC Corporation of America  
10850 Gold Center Drive, Suite 200  
Rancho Cordova, California 95670  
Attn: VP, Biometrics

Notices to CUSTOMER shall be addressed to:

21. **SECTION HEADINGS**

21.1 The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this AGREEMENT.

22. **WAIVER AND SEVERABILITY**

22.1 The failure by either Party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other Party at the time designated shall not be construed as a waiver of any such default or right to which the other Party is entitled, nor shall it in any way affect the right of the Party to enforce such provisions thereafter.

22.2 If any part of this AGREEMENT shall be adjudged by any court of competent jurisdiction to be invalid, such judgment will not affect or nullify the remainder of this AGREEMENT, but the effect thereof will be confined to the part immediately involved in the controversy adjudged.

23. **ASSIGNMENT**

23.1 This AGREEMENT may not be assigned by either Party without the express written consent of the other Party, which shall not be unreasonably withheld. Any assignment or attempted assignment in violation of this provision shall be null and void.

23.2 No transfer or assignment of this AGREEMENT, or of any interest hereunder, shall release either Party from its obligations hereunder.

25. **SUBSTITUTION**

25.1 CONTRACTOR may at any time before Acceptance, add, delete and/or substitute items of EQUIPMENT and AFIS SOFTWARE comprising the SYSTEM ("Substitutions"), provided that such Substitutions will not adversely affect the functionality and performance of the SYSTEM specified in CONTRACTOR'S Proposal. Substitutions do not adjust a fixed priced contract. Scope of Work Changes may adjust a fixed priced contract as provided in Section 18.

26. **MISCELLANEOUS OBLIGATIONS OF CUSTOMER**

26.1 Designated Person. CUSTOMER will designate a person to coordinate all activities with CONTRACTOR. The designated person (or a designated alternate) shall be available at all times to make decisions on behalf of CUSTOMER, which shall include, but not be limited to, the approval and acceptance of all contract deliverable items. The designated person shall work and cooperate with CONTRACTOR, but the designated person will not be under the direction or control of CONTRACTOR and shall, at no time, be considered an employee or agent of CONTRACTOR.

- 26.2 Availability. CUSTOMER's operational personnel shall be available for consultation and to answer pertinent questions at all times during the operational personnel's Working Hours.
- 26.3 Reference Information. All necessary reference manuals, sample data, source documents, definition of terms, exceptions, and other items of information which, in CONTRACTOR's reasonable opinion, are necessary for performance of the Agreement, will be promptly supplied by CUSTOMER to the CONTRACTOR upon CONTRACTOR's request.
- 26.4 Security. CUSTOMER shall, at all times, exercise reasonable care for the security of the installation site and of the SYSTEM, and other EQUIPMENT at the installation site belonging to CONTRACTOR or to its personnel, agents or designees, including without limitation, each part of the SYSTEM not then accepted by CUSTOMER. The installation site shall be located in a secure space, to be provided by CUSTOMER at no cost to the CONTRACTOR, which will be accessible before ACCEPTANCE to CONTRACTOR's authorized personnel, agents and designees, and to such personnel of CUSTOMER as may be agreed by CONTRACTOR.
- 26.5 Use of CONTRACTOR's Property. CUSTOMER shall ensure that its personnel, agents or designees will not use any property of CONTRACTOR, including but not limited to the SYSTEM, before ACCEPTANCE of the SYSTEM, except as provided in this AGREEMENT and as may be authorized by CONTRACTOR in writing. Any such use will be in accordance with all instructions CONTRACTOR may adopt and give to CUSTOMER from time to time. CONTRACTOR may withdraw CUSTOMER's authorization for use at any time.
- 26.6 Interconnections. CUSTOMER shall bear all costs for and shall install all necessary telecommunication lines and equipment as defined in the Site Preparation Plan. Such telecommunication lines and equipment must be installed and certified by CUSTOMER as being ready for use on the dates specified for delivery of EQUIPMENT.
- 26.7 Delayed Site Preparation or Interconnection. If CONTRACTOR has offered to deliver and install the EQUIPMENT and AFIS SOFTWARE that are due at any particular due date, and CUSTOMER has not completed the site preparation and provided the telecommunication lines and equipment at the installation site as described herein, or if the installation site, through no fault of CONTRACTOR, is not ready for the installation of the SYSTEM, then payment shall be due to CONTRACTOR as if the telecommunication lines and equipment and installation site were available and the SYSTEM had been delivered and accepted.
- 26.8 Permits and Licenses. It shall be the responsibility of CUSTOMER to obtain any and all necessary licenses and permits for the installation and operation of the SYSTEM at the site at which it is to be installed.
- 26.9 Audit. CUSTOMER grants to CONTRACTOR and its agents the right to audit CUSTOMER's use of the AFIS SOFTWARE to verify compliance with this AGREEMENT.
- 27.0 **RELATIONSHIP BETWEEN PARTIES**
- 27.1 CONTRACTOR is an independent contractor. The personnel of one Party shall not in any way be considered agents or employees of the other. To the extent provided for by

law, each Party shall be responsible for the acts of its own employees. Each Party shall be responsible for Workers' Compensation coverage for its own personnel.

28.0 **EXPORT**

28.1 Export laws and regulations of the United States and other relevant local export laws and regulations apply to the SYSTEM. CUSTOMER agrees that such export control laws govern CUSTOMER's use of the SYSTEM and CUSTOMER agrees to comply with all such export laws and regulations (including "deemed export" and deemed "re-export" regulations.) CUSTOMER agrees that CUSTOMER will not export or re-export the SYSTEM outside of the jurisdiction in which you obtained it without the appropriate United States or foreign government licenses.

29. **ENTIRE AGREEMENT**

29.1 No change or waiver of any provision of this AGREEMENT shall be valid unless made in writing and executed in the same manner as this AGREEMENT.

29.2 This AGREEMENT, including any Exhibits attached hereto constitutes the entire AGREEMENT between the Parties with respect to the subject matter hereof and supersedes all previous negotiations and agreements, written or oral, between the Parties with respect to the subject matter hereof.

**IN WITNESS WHEREOF**, the parties hereto have executed this written AGREEMENT to be effective as stated herein.

**CUSTOMER**

**NEC Corporation of America**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## EXHIBIT I

### PAYMENT MILESTONES

Upon Execution of Agreement	30%
Upon Execution of Scope of Work	30%
Upon System Delivery	30%
Upon System Acceptance	10%

**EXHIBIT II**

**SYSTEM DESCRIPTION AND EQUIPMENT LIST**

### **Exhibit III**

#### **NEC CORPORATION OF AMERICA**

#### **AFIS SOFTWARE END USER LICENSE AGREEMENT**

CAREFULLY READ THE FOLLOWING TERMS AND CONDITIONS. THE USE OF THE AFIS SOFTWARE WHICH IS LICENSED BY NEC CORPORATION OF AMERICA AND ITS LICENSORS TO CUSTOMER, THE ORIGINAL END USER, FOR CUSTOMER USE ONLY AS SET FORTH BELOW.

#### **1. LICENSE GRANT**

Subject to the terms of this NEC Corporation of America AFIS Software End User License Agreement ("EULA") and System and Services Sales Agreement (the "AGREEMENT")(including payment of the applicable license fees, warranty, and limitation of liability sections), CONTRACTOR grants CUSTOMER a perpetual (subject to termination in section 5), non-exclusive, non-transferable license for the following:

SYSTEM License - to use the AFIS SOFTWARE, including any SYSTEM Documentation furnished under the AGREEMENT, for CUSTOMER's own internal use on the EQUIPMENT. SYSTEM License is granted according to the EQUIPMENT and is not transferrable to any new EQUIPMENT.

Unit License – to install and use a copy of the AFIS SOFTWARE on your workstation or mobile devices ("Units"), up to the permitted number of Units. The permitted number of Units shall be delineated at such time as CUSTOMER's elects to purchase the AFIS SOFTWARE.

Archive License – If Archive component is included with your AFIS SOFTWARE, the total number of users permitted to use the Archive component of the AFIS SOFTWARE at the same time may not exceed the number of users delineated at such time as CUSTOMER's elects to purchase the AFIS SOFTWARE.

**2. RESTRICTIONS.** CUSTOMER may not do the following: (i) modify, adapt, translate or create derivative works based upon the AFIS SOFTWARE; (ii) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code of the AFIS SOFTWARE except to the extent you may be expressly permitted to reverse engineer or decompile under applicable law; (iii) sell, rent, lease, timeshare, provide subscription services, lend, sublicense, distribute, assign or otherwise transfer any rights in the AFIS SOFTWARE; and (iv) disclose or publish results of any benchmark tests of any AFIS SOFTWARE to any third party without NEC's prior written

consent. CUSTOMER may make one backup copy of the AFIS SOFTWARE provided your backup copy is not installed or used until needed. CUSTOMER may not transfer the rights to a backup copy.

3. INTELLECTUAL PROPERTY OWNERSHIP, RESERVATION OF RIGHTS

CUSTOMER acknowledges and agrees that (i) Contractor and its licensors own and shall retain all rights, title and interest in and to the AFIS SOFTWARE, including without limitation, all intellectual property rights embodied therein; and (ii) the AFIS SOFTWARE's structure, organization, sequence and source code are the valuable trade secrets and confidential information of CONTRACTOR and/or its licensors. The AFIS SOFTWARE is protected by law, including without limitation the copyright laws of the United States and other countries, and by international treaty provisions. Except as expressly stated herein, this license does not grant CUSTOMER any intellectual property rights in the AFIS SOFTWARE and all rights not expressly granted are reserved by Contractor and its licensors. CUSTOMER agrees not to remove or obliterate any copyright, trademark or other proprietary rights notices contained in or on the AFIS SOFTWARE.

4. THIRD PARTY BENEFICIARIES: CUSTOMER acknowledges and agrees that CONTRACTOR's Licensors are direct and intended third party beneficiaries of this EULA.

5. TERMINATION. This License will terminate immediately by NEC if, after written notice is given to you setting out the particulars of a breach of this EULA, you fail to remedy such breach within 30 days of such notice. Upon termination, you shall immediately remove and destroy all copies of the AFIS SOFTWARE or any parts thereof.

6. LIMITED WARRANTY. NEC provides a limited warranty for the NEC Software. Please refer to CUSTOMER's AGREEMENT for a description of the limited warranty and the limited warranty period. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THE AGREEMENT AND HEREIN, NEC AND ITS LICENSORS EXPRESSLY DISCLAIM ALL OTHER WARRANTIES WITH RESPECT TO THE NEC SOFTWARE, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. NEC DOES NOT WARRANT THAT THE NEC SOFTWARE WILL MEET YOUR REQUIREMENTS, OPERATE IN COMBINATION WITH OTHER PRODUCTS NOT PROVIDED BY NEC, BE UNINTERRUPTED, OPERATE ERROR FREE OR THAT THE ERRORS WILL BE CORRECTED.

7. LIMITATION OF LIABILITY. IN NO EVENT SHALL NEC OR ITS LICENSORS BE LIABLE TO CUSTOMER FOR (I) ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR (II) ANY DAMAGES OR COSTS RESULTING FROM LOSS OF USE, GOODWILL, DATA, SAVINGS OR PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE WHICH MAY ARISE OUT OF THE USE OR PERFORMANCE OF THE NEC SOFTWARE.

IN NO EVENT WILL NEC'S OR IT'S LICENSORS' AGGREGATE LIABILITY FOR ANY CLAIM, WHETHER IN CONTRACT, TORT OR ANY OTHER THEORY, EXCEED THE LICENSE FEES PAID BY CUSTOMER.



8. U.S. GOVERNMENT RIGHTS: The AFIS SOFTWARE was developed entirely at private expense. The AFIS SOFTWARE licensed under this EULA is "commercial computer software" as the term is described in 48 C.F.R. 252.227-7014(a)(1). If acquired by or on behalf of a civilian agency, the U.S. Government acquires this commercial computer software and/or commercial computer software documentation subject to the terms of this Agreement as specified in 48 C.F.R. 12.212 (Computer Software) and 48 C.F.R. 12.211 (Technical Data) of the Federal Acquisition Regulations ("FAR") and its successors. If acquired by or on behalf of any agency within the Department of Defense ("DOD"), the U.S. Government acquires this commercial computer software and/or commercial computer software documentation subject to the terms of this License Agreement as specified in 48 C.F.R. 227.7202-3 of the DOD FAR Supplement ("DFAR") and its successors.

9. EXPORT. The AFIS SOFTWARE supplied by CONTRACTOR under this EULA is subject to export controls under the laws and regulations of the United States. CUSTOMER shall comply with such laws and regulations governing export and re-export and will obtain all required U.S. and local authorizations, permits or licenses.

10. AUDIT. To ensure compliance with this EULA, upon forty-five (45) days written notice, CONTRACTOR shall have the right to audit CUSTOMER's use of the AFIS SOFTWARE.

11. GOVERNING LAW. This EULA will be construed under the laws of the State of California, excluding the application of its conflicts of law rules. The Uniform Computer Information Transactions Act does not apply to this EULA.

**EXHIBIT VI**  
**SCOPE OF WORK**